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The Issue: Making Good Trades by Reid Champagne





State Representative Joe Miro grew up in Cuba. In March, he joined other Delaware leaders on a trade mission to the country. Easing travel restrictions, he says, will facilitate better relations—and markets Delaware products. new open Photograph by Tom Nutter

As a boy, Joe Miro often fished for lobsters in the sea and played on the beaches a short walk from his home in Matanzas, Cuba. Other days would find him on the baseball diamond, where he played the infield.

"There was no concept of emigration or even leaving the city or town of your birth to move anywhere else in Cuba" says Miro, a retired teacher who has lived in New Castle County since 1962. "You were born, raised, worked and died all in the same

That changed after the Cuban Revolution. Faced with the prospect of reaching age 16, when he'd be forbidden from leaving, Miro's family arranged to have him, then 15, immigrate to the United States.

"After a few months in a transitional camp near Miami, I was given a choice of being permanently settled in either Albuquerque, New Mexico, or Wilmington,

Delaware," Miro recalls. "I had never heard of either place, but I saw that Wilmington was near Philadelphia, which I had heard of, so I chose Wilmington."

Miro, the state representative for the Pike Creek Valley area, never returned to Cuba—until March, when he joined other local leaders on the state's first trade mission to the island nation, which has been under an almost-total trade embargo imposed by the United States since 1960.

Almost, because the embargo was relaxed in 2000 to allow humanitarian aid such as medicines and food products to be shipped to Cuba.

Delaware Secretary of Agriculture Michael Scuse, who led the trade mission in March, first visited Cuba in 2002. "It was strictly a get-acquainted visit," Scuse says. "My impressions at the time were that there were some risks involved, especially regarding payment, as well as questions as to how much trade we could actually develop."

Since then, trade between other states and Cuba has picked up, especially for grain-producing states in the Midwest and South. By the time the number of states doing business with Cuba had surpassed 30—with total agricultural trade approaching \$2 billion—Scuse realized it was time for Delaware to get in the game.

In March a group of 14—organized in part by Delaware's Office of Management and Budget and composed of people from state government, local business, the Port of Wilmington, and World Trade Center Delaware, along with Miro and a representative from Congressman Mike Castle's office—embarked on a four-day mission to conclude trade deals between Cuba and Delaware for the first time since the embargo of 1960.

The timing was right, as Governor Ruth Ann Minner and Mountaire Farms president John Wise announced in April that Mountaire would begin shipping chicken to Cuba in May. Once the ball got rolling, things happened fast.

"I could see the demand was there, given the growth of the tourism industry in Cuba, where there is increasing demand for high-end agricultural products," Scuse says.

And he knew his earlier visit had born fruit. "On that first visit, I met the highest ranking female in the Cuban government (Maria de la Luz B'Hamel)," Scuse says. "In March I met her again, and she remembered me."

Such recall is not insignificant, says Kirby Jones, who heads a Washington, D.C.-based consulting firm that specializes in trade missions between this country and Cuba.

"Cubans like to do business with people they know and like," says Jones. "The first round of purchases that Cuba made at the end of 2001 was largely with U.S. firms that were already well known to Cuban officials. These firms had spent the time and effort to undertake a real business development program, looking ahead to the day when business would be profitable."

Jones had been contacted by World Trade Center Delaware in Wilmington, a non-profit organization that helps small to medium-sized businesses expand and grow.

"I had attended a business luncheon in 2000 that discussed Cuban trade, but it was learning that 35 states in this country were already doing business in Cuba today that made us realize that we needed to be there," says WTCD executive director Rebecca Faber, a member of the March mission to Cuba.

Faber has a list of goods besides poultry that Delaware can export to Cuba, including apples, pears, onions and other vegetables. Beyond facilitating trade with Cuba for Delaware's agricultural products, Faber's group lobbies for normalization of relations that include lifting travel restrictions and expanding trade options to include major Delaware industries such as banking and financial services.

Jennifer Davis, director of the Office of Management and Budget, believes Delaware is perfectly situated in the areas of pharmaceutical and automotive parts to serve Cuba's immense need for those items.

"We can easily get back to the pre-embargo level, where 80 percent of Cuba's trade was with the United States," says John Pastor, director of international trade and development for the Delaware Office of Management and Budget. "We found the environment there to be quite friendly, cooperative and well organized."

Which is more than can be said about the United States' attitude toward Cuba. The Bush Administration has restricted trade, so talk of lifting the embargo is limited, for now, to wishing and hoping. "The biggest stumbling block to doing business in Cuba is the Bush Administration," Scuse says. "They've toughened sanctions, especially regarding travel."

Ties between the Bush family and the ferocious anti-Castro Cuban American community based in Miami run deep. "More than 30 key positions relating to Cuban policy in the current Bush Administration belong to Cuban-Americans from Florida," Jones says.

The administration's policy has prevented Delaware's pharmaceutical base from, practically speaking, selling its products, despite laws that allow sales of medicines and medical supplies for humanitarian reasons. Restrictions on trade of medicines are far greater than on agricultural products.

"In the case of medical products, the seller must provide certification to the U.S. government of the end user: which patient is consuming which pills or being examined by which medical machine," Jones says. "This condition has proven to be insurmountable." Nonetheless, Davis cites pharmaceuticals as the next big export opportunity for Delaware.

So time and common sense seem to be working against current policy on Cuba. First, restrictions on travel have angered many, isolating anti-Castro Cubans. "First generation Cuban-Americans are less likely to support the embargo because they see that it simply doesn't work," Miro says. "And native Cubans no longer fear a U.S. military invasion."

Miro says that reversing policy will probably take a "change in the current administration here, as well as a change in Cuban policy, and that right now both sides are waiting for the other to blink first."

Jones believes pressure from Grain Belt states, who see valuable trade opportunities being lost to other nations, will eventually tip the scales toward loosening the embargo. But don't look for any bold leadership from our Congressional delegation any time soon. Jeff Dayton, who represented Congressman Mike Castle during the March trade mission, said his purpose was to become educated.

"While the congressman has supported humanitarian travel to Cuba in the past, he is taking no position on any current legislation before the House until those bills come out of committee," Dayton says, adding that Castle believes the State Department "is best suited to make decisions on opening trade."

Jones sees a contradiction in the administration's trade policies for Cuba and nations such as China. Both countries are run by totalitarian governments. Both are accused of serious abuses of human rights. Yet the United States will trade with one, but not the other.

"Even at the height of the Evil Empire rhetoric during the Reagan Administration, President Reagan never sought to cut off exchanges between the U.S. and the U.S.S.R," Jones says. "And George W. Bush has taken a similar position regarding China and human rights. Both those approaches apply directly to the Cuban situation."

Though Scuse was not surprised by the Mountaire-Cuba agreement, he was surprised it was concluded this quickly.

"I had a feeling going down they were ready to do business, but I thought it would happen over a few months," he says. "It's a testament, I believe, to the trust and confidence we were able to establish with the Cuban delegation, as well as an indication of the level of pent-up demand for Delaware agricultural products."

Thomas Keefer, deputy director for the Port of Wilmington, sees enormous local potential for eventual two-way trade with Cuba.

"We have the largest refrigerated cold storage capacity of any port in the United States," Keefer says. As two-way trade develops, shippers from Latin America could benefit by sailing home with cold goods from Wilmington instead of returning empty, as they do now.

"Once we begin exports out of our port, shipping companies will offer very attractive rates for shipping to Cuba, attracting more shippers," Keefer says. "Port activity will increase proportionately."

Miro, who viewed his position in the March mission as that of a facilitator, was able to visit the house where he was born and the house where he was raised. "They are both still standing," he says. He found Cubans to be friendly toward Americans and crime to be very low. But the country is desperately in need of infrastructure—and in need of paint.

"You could build a paint factory there and keep it in business for years for all the structures and facades in need of a coat or more," he says.

We'll send the paint. Just send cigars.

Previous | Next